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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 09/915,436
Filing Date: July 26, 2001
Appellant(s): BANERJEE ET AL.

Wayne P. Bailey
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 9/11/2006 appealing from the Office action mailed 3/29/2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

No amendment after final has been filed.

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

2005/0027849	CIANCIARULO et al.	2-2005
2002/0095317	MCCABE	7-2002

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cianciarulo et al. in view of McCabe.

Cianciarulo et al. teaches a system and method for insuring data over the Internet. In particular Cianciarulo et al. teaches receiving a request from a requestor to insure delivery of an electronic document (e.g. page 9; paragraph 0062; lines 7-12). Examiner notes that the data set represents Appellant's electronic document.

Cianciarulo et al. teaches responsive to the request, identifying a payment amount to insure delivery of an electronic document which represents an identified payment amount (e.g. page 8; paragraph 0055). Examiner notes that the appropriate fee of Cianciarulo et al. represents Appellant's payment amount. Further, applying an appropriate fee for selected coverage represents identifying a payment amount to insure delivery of an electronic document.

Cianciarulo et al. teaches sending an acknowledgement of the electronic document to the requestor, wherein the acknowledgement includes the identified payment amount and delivering the electronic document in response to receiving a reply to the acknowledgement from the requestor accepting the identified payment amount (e.g. page 10; paragraph 0064). Examiner notes that the teaching of a permission activated event represents Appellant's acknowledgement of the payment amount (appropriate fee).

Cianciarulo et al. does not teach that the payment amount to insure delivery is based on network characteristics , wherein the characteristics include transaction statistics.

McCabe teaches that a payment amount (mathematically fair price for insurance) is based on statistics associated with the type of insurance being purchased (page 4; paragraphs 0061-0062).

Examiner notes that McCabe states that Appellants for insurance are put into classes according to their probability of loss and each class bears a mathematically fair share of the insurance pool's losses and expenses (based on that classes probability of loss). As such, the mathematically fair price for insurance is found by multiplying the probability of loss for a class times the dollar value exposed to loss, then adding a fair share of the insurer's expenses.

McCabe goes on to state that the risk classification technique described above is developed by observing defined events across large groups of people or entities. Examiner notes that observations defined across large groups of people or classes represents statistics. In other words, McCabe teaches that in order to determine a group's probability of loss, insurance companies rely on statistics associated with that group.

Therefore, McCabe teaches that the mathematically fair share for insurance is based on observations/statistics, since those observations/statistics define a group's probability for loss.

It would have been obvious to a person of ordinary skill in the art at the time the invention was made to base the appropriate price of Cianciarulo et al. on transaction statistics for each of the selected electronic transaction groups defined by Cianciarulo et al. as taught by McCabe. One of ordinary skill would have been motivated to combine these references as taught in order to produce a mathematically fair price for insurance.

Cianciarulo et al. teaches billing the requestor in response to receiving a reply to the acknowledgment accepting the identified amount (e.g. page 10; paragraph 0064).

Cianciarulo et al. teaches wherein the payment amount is received in a form of electronic cash, a credit card charge or a debit to an account (page 8; paragraph 55; lines 22-23). Examiner notes that the specific teaching referenced here on page 8 includes only the debiting of an account, but as the limitation is presented in the alternative, only one of the options is required to anticipate the claim.

Cianciarulo et al. teaches wherein identifying step includes taking into account a value of the electronic document in addition to network characteristics (pages 9-10; column 62; lines 38-48). Examiner notes that a coverage amount represents account value of the electronic document.

Cianciarulo et al. teaches wherein the identified value of the electronic document is received from the requestor (pages 9-10; column 62; lines 38-48). Examiner notes that the user of Cianciarulo et al. selects the amount of coverage thus defining the value of the electronic document.

Cianciarulo et al. teaches responsive to an inability to deliver the electronic document within a time guaranteed, sending a payment to requestor (page 6; column 0044; lines 3-9).

Cianciarulo et al. teaches receiving a request from a requestor to insure delivery of an electronic document (e.g. page 9; paragraph 0062; lines 7-12). Examiner notes that the data set represents Appellant's electronic document.

Cianciarulo et al. teaches receiving a delivery status of the electronic document (page 6; column 0041).

Cianciarulo et al. teaches determining from the delivery status if the electronic document has been timely delivered and if the electronic document has not been timely delivered compensating the requestor (page 6; paragraph 0041 and page 6; paragraph 0044).

Cianciarulo et al. does not teach wherein the insurance of delivery is based on a number of times a party to whom the insurance is being provided has been paid insurance proceeds.

McCabe teaches using insurance claim statistics to determine an insurance premium (page 5; paragraph 0075).

It would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the insurance of delivery of Cianciarulo et al. by using claims statistics to determine the premium as taught by McCabe. It would have been obvious to a person of ordinary skill in the art at the time the invention was made to in order to help defray the costs associated with factors related to increased insurance claims (McCabe; page 5; paragraph 0075).

Further Arguments

Per the arguments filed with the Appeal Brief on 1/10/06 have been fully considered but they are not persuasive.

Appellant asserts that Cianciarulo's "permissive activated event" does not teach the claimed limitation of "delivering the electronic document in response to receiving a reply to the acknowledgment from the requestor accepting the identified payment amount." Examiner respectfully disagrees.

In rejecting this limitation Examiner referenced the entire paragraph 64 on page 10. Examiner notes that the paragraph teaches that the permission activated event authorizes a "selected coverage and a selected coverage amount." The use of selected indicates that a system first presents the user with an amount based and be selected prior to the permission activated event. It is the Examiner's position that this teaching represents Appellant's claimed limitation.

Appellant further asserts that Examiner has not established a prime facie case of obviousness for fail to show the following claimed feature, "the network characteristics are maintained in a network database which is queried in response to identifying a delivery location for the electronic document such that the identified payment amount is based on the network characteristics of the network in which the electronic document is to be transmitted." Examiner respectfully disagrees.

Examiner notes that while the cited paragraphs of McCabe does teach that "this does not necessarily work effectively with data and online presence," the basis for this statement is because of the predictability of such ventures. Therefore, Examiner relies on McCabe to teach that such practices are effective for more predictable areas. Further, insuring electronic document deliver over a network is a much more predictable than an on-line store (or on-line presence) in that if an on-line store goes down sales are lost, whereas based on historical data a user could track network characteristics and make a predicable assessment of the success.

Based on these points, the Examiner maintains the position that modifying the traditional risk classification teachings of McCabe to establish an insurance fee in Cianciarulo does in fact present a proper prime facie case of obviousness.

With respect points A.3-A.5, Appellant asserts that the prior art fails to teach an estimated amount of time. Examiner respectfully disagrees. Examiner notes that the prior art teaches the timely delivery of an electronic document. If amount of time where not a factor then there would be no way to prove that a document was not delivered. In other words, there must be an amount of time figured into the coverage fee.

In further support of this position Examiner enters as evidence an article by Steve Cardot (hereinafter Cardot) which describes the Portogo Insurance protection system. Examiner notes that Portogo is the assignee of the Cianciarulo et al reference and therefore this article is used to show inherent features of the Cianciarulo reference. Namely, Examiner points to page 2, 3rd paragraph, "process lets clients insure important Internet data and transmissions just as they would insure data sent by conventional mail or courier." Examiner notes that this clearly teaches the system includes an amount of time element to the coverage fees calculated in Cianciarulo.

(10) Response to Argument

A. GROUND OF REJECTION 1 (Claims 1-26)

A.1. Claims 1-5, 7, 13, 15-19, 21 and 25

Appellant asserts that none of the prior art teaches "delivering the electronic document *in response to receiving a reply to the acknowledgement from the requestor accepting the identified payment amount.*" Appellant supports this position by arguing that the "permissive activated event" of Cianciarulo is very different from the acknowledgement handshake defined by Claim 1. Specifically, Appellant states "Cianciarulo states that *transmission of the document is the permissive activated event* (and thus cannot be the claimed *acknowledgement* as it is the actual document delivery, which is a separate claimed step, and occurs per Claim 1 in response to receiving a reply to the acknowledgement)." Examiner respectfully disagrees.

With respect to claim 1, Examiner submits the following claim chart, mapping the independent claim to the prior art:

Claimed Limitation	**Prior Art Teaching**	**Comments**
Receiving a request from a requestor to insure delivery of the electronic document	Cianciarulo Page 9; paragraph 0062, line 7-12	
Responsive to receiving the request, identifying a payment amount to insure delivery	Cianciarulo Page 8, paragraph 0055	The appropriate fee represents Appellant's payment amount and applying an appropriate fee for selected coverage represents identifying a payment amount to insure delivery of an electronic document
Based on network characteristics of a network in which the electronic document is to be transmitted	McCabe page 4, paragraphs 0061 and 0062	As noted in the final office action, McCabe teaches the user of statistics associated with the type of insurance. It is the position of the Examiner that one of ordinary skill at the time of the invention would have known to define the insurance amount of Cianciarulo by including statistics of the insurance type, specifically about the characteristics of the network used to deliver the transmissions, as taught by McCabe.

Sending an acknowledgement of the electronic document to the requestor, wherein the acknowledgement includes the identified payment amount	Cianciarulo Page 10, paragraph 0064	Appellant's "acknowledgement" is interpreted as sending the user a quote for the insurance. When the user reply or accepts the quote then delivery is made. This is the "permission activated event" of Cianciarulo.
Delivering the electronic document in response to receiving a reply to the acknowledgement from the requestor accepting the identified payment amount		

As noted in the chart above, Appellant's claim 1 is interpreted as receiving a request from a user, identifying a payment amount, sending the payment amount in the form of a quote to the user (i.e. Appellant's acknowledgement) and upon the user accepting the payment amount delivering the document. Examiner notes that this is exactly the "permission activated event" of Cianciarulo.

Specifically, a user of Cianciarulo (see Page 10, paragraph 0064) sends a request to have a document delivered. In response to this request the user is given a list of coverages and coverage (or payment) amounts (i.e. an acknowledgement of the electronic document to the requestor, wherein the acknowledgement includes the identified payment amount). The user then provides a "selected coverage and coverage amount" and based on the selected coverage and coverage amount the document is transmitted (i.e. delivering the electronic document in response to receiving a reply to the acknowledgement from the requestor accepting the identified payment amount).

Appellant argues the "filling out of the form and selecting coverage amount is not responsive to a reply to an acknowledgement from the requestor." Examiner respectfully disagrees. Once again Examiner points out that Appellant's "acknowledgment" is interpreted as a rate quote and the "reply to the acknowledgement" is the user selecting a rate (coverage amount). Cianciarulo clearly teaches these limitations.

Specifically, when the user requests insurance he/she is sent the forms and a list of the coverages and the coverage amounts (i.e. Appellant's acknowledgement). This list of coverage and coverage amount must be in response to a request from the user for two reasons. First, a company would not just sent a list of coverages to a random person; they must be request. Secondly, a user must have the list of coverages and coverage amounts in order to make the selections. It is not logical that a user would know, prior to sending a request, the types of coverage available and the associated coverage amounts. These are clearly sent from the system to the user in response to a request.

Appellant further argues that "the closest thing to an acknowledgement per the teaching of Cianciarulo is delivery verification." Examiner notes that Cianciarulo does teach delivery notification but this is not relied upon by the Examiner for Claim 1, nor is it relevant to this discussion.

A.2. Claims 6 and 20

Appellant initially asserts that claims 6 and 20 are improperly rejected for the reasons given with respect to claim 1. In response, Examiner respectfully relies on the arguments presented in section A.1. with respect to Claim 1 above.

Appellant further asserts that the prior art fails to teach "the network characteristics are maintained in a network database which is queried in response to identifying a delivery location for the electronic document such that the identified payment amount is based on network characteristics of the network in which the electronic document is to be transmitted." Further, Appellant asserts that the prior art "makes no mention of any type of *network database that is queried in response to identifying a delivery location for an electronic document*, as expressly recited in Claim 6." Examiner respectfully disagrees.

Examiner notes that Cianciarulo teaches in response to user submitting a request which identifies a delivery location, sending the user a list of coverages and coverage amounts (see page 9, paragraph 0062 and page10 paragraph 0064). However, as noted in the rejection of the claims, Cianciarulo does not specifically teach the factors which go into determining the coverage amounts (i.e. network characteristics). The Examiner has relied upon McCabe to illustrate that fundamental principles associated with determining insurance coverage and payment amounts. Specifically, the use of data relevant to the type of insurance being issued, in this case it would clearly be network characteristics stored in a database. As such, one of ordinary skill in the art would have reasonably known that the coverage and/or payment amounts

of Cianciarulo were in fact based on network characteristics stored and retrieved from a database.

By way of example, the Examiner points paragraph 0066 of Cianciarulo which states "according to the teachings of this embodiment, the software means operating on the system insures, bonds and/or underwrites the transmission of all electronic data sets, streaming data, and/or documents for a fee based on a user's selected/desired coverage . . . For example, a user can define that all medical records transmitted from the remote client be insured for a coverage amount of $300 per transmission and that all X-rays transmitted from the remote client be insured for a coverage amount of $500 per transmission."

However, Cianciarulo never specifically teaches how this "fee" is determined. It is the Examiner's position, supported by the teaching of McCabe, that one of ordinary skill in the insurance arts would have reasonably known that network characteristics in a database would be part of this fee determination. Specifically, a person attempting to determine such a fee would need to know how likely a transmission is to fail, in the same way a person attempting to determine an auto insurance fee would need to know the likelihood of an auto accident. If a successful transmission is likely the fee will be less than if the transmission is likely to fail, the same way a person who is likely to get into an accident pays more for auto insurance than a person who is likely to avoid an accident. As noted by McCabe, this is standard practice for determining insurance fees (or premiums).

By arguing that the fees of Cianciarulo are determined without relying network characteristics, Appellant is asserting that the fees are determined at random. This is not only

bad business practice but also not the way the insurance industry operates. (see McCabe page 4, paragraphs 0063-0066)

A.3. Claim 8

Appellant asserts that the prior art fails to teach "analyzing the electronic document to identify an estimated amount of time in which the electronic document can be delivered, wherein the estimated amount of time is identified using a network database that maintains network characteristics of a network to be used in the delivery of the electronic document." Appellant initially argues that claim 8 is improperly rejected for the reasons given with respect to claim 6 (see first paragraph on page 16 of 30). In response, Examiner respectfully relies on the arguments presented in section A.2. with respect to Claim 6 above.

Apellant further points to Examiner's position "that there must be an amount of time figured into the coverage fee, since if the amount of time were not a factore then there would be no way to prove that a document was not delivered." Appellant argues that "determining/proving that a document was delivery or not (an 'after the fact' occurrence with respect to delivery) is a totally different concept from using an estimate amount of time in which a document can be delivered ('a before the fact' occurent with respect to delivery). Examiner notes that in this case Appellant is not claiming a 'before the fact' occurrence with respect to delivery.

Rather, in claim 8, Appellant claims "analyzing a document to identify an amount of time" and "determining from the delivery status if the electronic document has been timely

delivered." Clearly this is an 'after the fact' occurrence as it determines "if the document **has** been delivered."

The Examiner's point is that Cianciarulo teaches the timely delivery of a document (see page 6, paragraphs 41 and 44). It is the position of the Examiner that the **only** way to determine if a transmission is timely or if the transmission has failed is to establish an amount of time for delivery. Without one, the transmission would always be pending. In other words, you have to have an established time to know when to stop waiting, and this has to be set prior to the transmission. As such, Examiner notes that an estimated amount of time is inherent to the teachings of Cianciarulo.

On the first paragraph of page 17 of 30, Appellant asserts that insurance at a post office is value based and not for-delivery-based. Further, Appellant asserts that the post office does not use network characteristics to determine the insurance amount. Examiner respectfully disagrees.

First, Examiner notes that it is more expensive to insure a package for over night deliver than for first class mail. This point alone illustrates that the insurance, while clearly based on value also considers the for-delivery date as well. Further, when a package is sent via over night mail it is air mailed to the destination, whereas first class mail is sent via ground. Examiner notes that air mail and ground mail are network characteristics of postal mail flow and as such if insurance is figured based on air or ground, then the post office clearly uses network characteristic to determine the amount of insurance coverage.

A.4. Claims 9-11, 14, 22-24 and 26

Appellant asserts that "none of the cited references teach or suggest an insurance payment that is based on of these *characteristics of the network itself that is used for delivery of the document*." Appellant points to the Office Action dated 9/20/2005. Examiner notes that this is not the most recent Office Action. The most recent Office Action is the non-final Action dated 3/29/2006. In the most recent Office Action, the Examiner points to McCabe's teaching that the traditional method of providing insurance requires a determination of the "probability of loss." Specifically, McCabe teaches "observing defined events across large groups of people or entities." In other words, McCabe teaches deterring the probability for loss based on statistics associated with the thing being insured (see for example page 4, paragraphs 0061-0062).

In the online world these observed events would clearly relate to the characteristics of the network with which the data is being transmitted. McCabe further teaches the ability to reacting to changes in this network in real time to alter and change the insurance coverage (see page 10, paragraph 0131). At the very least one of ordinary skill in the art upon reading McCabe would realize that "probability of loss" represents "reliability properties of the network" (as claimed by Appellant).

Examiner notes that Appellant's claim language (i.e. "base on at least one of") requires the prior art to teach only one of the "network traffic characteristics," "network congestion," "reliability properties of the network," or "statistical transmittives of the network." As shown above the prior art teaches at least one of these limitations.

Appellant further addressed McCabe page 4, paragraph 0062. Specifically where McCabe states that traditional risk classification "does not necessarily work effectively with data and online presence." In this section, Appellant has chosen to highlight the word "not", in contrast Examiner would like to highlight the word "necessarily." What McCabe teaches is that traditional risk classification does not **necessarily** work; this is not saying it absolutely does not work. In other words, McCabe is saying that when applying risk classification to an online presence a user must be careful of the unique challenges. This is very different from saying that risk classification cannot be used with online scenarios. This is an important distinction.

Appellant goes on to argues that McCabe at best "states that the cost is determined 'by multiplying the probability for loss for a class times the dollar value exposed to loss, then adding a fair share for in insurer's expenses' (McCabe page 4, paragraph 0061). The actual characteristics of the network actually being used for the document transfer are not used in determining a payment amount that is determined."

It continues to be the Examiner's position that in order to determine the "probability for loss" an online presence relies on characteristics of the network. McCabe supports this position by teaching that the probability for loss is determined by "observing defined events across large groups of people or entities." In other words, to determine the probability for loss of an online presence, such as the one taught by Cianciarulo, an insurer would have to rely on observed events across the network (i.e. the network characteristics). There is simply no other way to calculate the fair price for insurance.

A.5. Claim 12

Appellant asserts that the prior art fails to teach providing an insurance cost and an estimated time of delivery. Examiner respectfully disagrees.

First, with respect to an estimated cost, Examiner once again notes that Cianciarulo teaches the user selects a desired coverage and coverage amount for a fee (see page 10, paragraph 0066). Clearly this fee is an estimated cost.

Second, with respect to an estimated time of delivery, Examiner once again notes that Cianciarulo teaches "timely delivery." Examiner once again notes that in order to determine if an transmission is "timely" there necessarily has to be an estimated time of delivery. Just like shipping a item at the post office, a user must select the type of transmission (i.e. next day, 2-3 day, etc.).

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

James Kramer 11/22/06

Conferees:

Richard Chilcot

Alexander Kalinowski